

10-121.

(a) A title insurance [agent or title insurance broker] PRODUCER may not convert or misappropriate money received or held in escrow or trust while:

(1) acting as a title insurance [agent or title insurance broker] PRODUCER; or

(2) providing any escrow, closing, or settlement services.

(b) (1) If an applicant for a [certificate of qualification] LICENSE is a partnership, each partner must hold a [certificate of qualification] LICENSE to act as a title insurance [agent or title insurance broker] PRODUCER and, if applicable, an appointment with a title insurer.

(2) (i) If an applicant for a [certificate of qualification] LICENSE is a corporation, each controlling owner and each officer must hold a [certificate of qualification] LICENSE to act as a title insurance [agent or title insurance broker] PRODUCER and, if applicable, an appointment with a title insurer.

(ii) For purposes of this subparagraph (i) of this paragraph, a person is not considered a controlling owner of a corporation if the person:

1. is a stockholder of the corporation;

2. does not manage or have day-to-day control over the operation of the corporation; and

3. is not an officer, director, or employee of the corporation who in any other way renders services for the corporation for which the person is compensated by the corporation.

(3) If an applicant for a [certificate of qualification] LICENSE is a limited liability company, each individual who has direct control over its fiscal management and each manager and officer must hold a [certificate of qualification] LICENSE to act as a title insurance [agent or title insurance broker] PRODUCER and, if applicable, an appointment with a title insurer.

(c) (1) When the application of a partnership for a [certificate of qualification] LICENSE as a title insurance [agent or title insurance broker] PRODUCER is submitted, the Commissioner shall investigate the character of each partner of the partnership applicant.

(2) When the application of a corporation for a [certificate of qualification] LICENSE as a title insurance [agent or title insurance broker] PRODUCER is submitted, the Commissioner shall investigate the character of each controlling owner and each officer and director of the corporate applicant.

(3) When the application of a limited liability company for a [certificate of qualification] LICENSE is submitted, the Commissioner shall investigate the character of each individual who has direct control over its fiscal management and each member, manager, officer, and director of the limited liability company applicant.